

Message Text

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PAGE 01 PORT O 03043 121450Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 CIAE-00 INR-07 PRS-01 SS-15
/046 W

-----060282 130426Z /70

R 121425Z OCT 77
FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 1394

C O N F I D E N T I A L PORT OF SPAIN 3043

E.O. 11652: GDS
TAGS: EINV, EFIN, TD
SUBJECT: CHASE MANHATTAN TO GO LOCAL

CONTAINS PROPRIETARY INFORMATION

1. THE LOCAL REPRESENTATIVE OF CHASE MANHATTAN (WARNER) HAS CONFIRMED REPORTS THAT THE BANK HAS OFFICIALLY INFORMED THE GOVERNMENT OF TRINIDAD AND TOBAGO THAT IT WILL BEGIN THE PROCESS OF LOCALIZATION. NO SPECIFIC PROPOSALS WERE MADE, LEAVING THESE TO NEGOTIATION WITH THE MINISTRY OF FINANCE.

2. WARNER SAID THAT WHILE THEY WILL TRY TO HOLD THE LINE AT 51 PER CENT LOCAL OWNERSHIP, HE EXPECTS THEY WILL BE PRESSURED TO GO TO 60 PER CENT, WHICH THE GOTT HAS PREVIOUSLY INDICATED THE LEVEL THEY CONSIDERED TO BE "MEANINGFUL" LOCAL PARTICIPATION. HE HAS LEARNED THAT SEVEN FINANCIAL COMPANIES HAVE SUBMITTED REQUESTS FOR APPROVAL OF NEW SHARE ISSUES TO THE CAPITAL MARKET ISSUES COMMITTEE AHEAD OF CHASE, AND IT MAY BE AS MUCH AS A YEAR AND A HALF BEFORE THEIR TURN IN THE QUEUE IS REACHED. IT IS POSSIBLE THE GOVERNMENT MAY DECIDE TO TAKE THEM OUT OF TURN, HOWEVER.

3. WARNER SAID THAT CHASE'S BUSINESS HERE HAS BEEN STAGNANT FOR SEVERAL YEARS, AS LOCAL BRANCHES OF U.S. COMPANIES TEND TO SHY AWAY FROM THE AMERICAN
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BANKS AND THE LARGE TRINIDADIAN FIRMS HAVE LONG-STANDING RELATIONSHIPS WITH BANKS WHICH CHASE HAS BEEN UNABLE TO BREAK INTO. HE OBVIOUSLY HOPES THAT A MOVE TO LOCALIZATION WILL ENABLE THEM TO OPERATE MORE AGGRESSIVELY AND REVERSE THIS TREND.

4. CHASE'S MOVE NOW LEAVES CITIBANK AS THE ONLY

FOREIGN BANK WHICH HAS NOT RESPONDED TO GOVERNMENT'S
CALL FOR LOCALIZATION. REPRESENTATIVES OF CITIBANK,
HERE FOR THE SIGNING OF THE GOTT'S EURODOLLAR LOAN
ON AUGUST 24, INDICATED THEY PLAN TO STAND FIRM, AND
BELIEVE THEY CAN GET BY WITH IT. THE EMBASSY IS NOT
SO SANGUINE; WE BELIEVE THAT ONCE LOCALIZATION OF THE
OTHER FOREIGN BANKS IS AN ACCOMPLISHED FACT, PRESSURE
WILL BE BROUGHT ON CITIBANK TO CONFIRM.
FOX

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Message Attributes

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Sent Date: 12-Oct-1977 12:00:00 am
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Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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TAGS: EINV, EFIN, TD, CHASE MANHATTAN
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